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GUIDELINES: SPEICAL PROGRAMS FOR EDUCATIONALLY DEPRIVED CHILDREN: ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965/TITLE I.

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Published in 1965, these guidelines outline the requirements for the fiscal and general administration of Title I projects, for project design and evaluation, and for reporting project activities. Exhibits of forms for reporting activities and administrative procedures at the state and local levels are included. (LB)

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

OE-35079

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Guidelines: Special Programs for Educationally Deprived Children

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 / TITLE I

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BUREAU OF ELEMENTARY AND SECONDARY EDUCATION / DIVISION OF PROGRAM OPERATIONS

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
John W. Gardner, *Secretary*
OFFICE OF EDUCATION, Harold Howe II, *Commissioner*

DISCRIMINATION PROHIBITED—Title VI of the Civil Rights Act of 1964 states: "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." Therefore, the Elementary and Secondary Education Act of 1965, Title I program, like every program or activity receiving financial assistance from the Department of Health, Education, and Welfare, must be operated in compliance with this law.

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FOREWORD

Title I of the Elementary and Secondary Education Act of 1965 authorizes Federal support to local public educational agencies for special educational programs for educationally deprived children in attendance areas where low-income families are concentrated. Its aim is to help broaden and strengthen education for the children of poverty, wherever they may be found—in public schools, in private schools, or out of school.

On September 23, 1965, President Johnson made the following remarks:

> *I have just signed into law a bill providing . . . supplemental appropriations for . . . more than one billion dollars . . . for programs that are authorized by the Elementary and Secondary Education Act of 1965, which we signed a short time ago.*
>
> *Today, we reach out to 5½ million children held behind their more fortunate schoolmates by the dragging anchor of poverty.*
>
> Act now. Get your plans made. *Open your schools to the promise of these new programs. I hope that not a single day will be lost. For in education, the time we waste today can mean a life wasted tomorrow.*

Congress has made available for fiscal year 1966 the full amounts authorized as determined by the current formulas for Title I for grants to local educational agencies, to State agencies providing free public education for handicapped children, and to State educational agencies for the performance of duties under this title. Authorizations for fiscal year 1967 will be determined by further action of the Congress concerning the formulas for determining maximum grants.

The President, as required by Title I, has appointed a National Advisory Council on the Education of Disadvantaged Children. The Council must make its first report to the President by March 31, 1966, on its evaluations and recommendations concerning the Federal programs for disadvantaged children including programs under Title I.

State and local educational agencies are urged to give prompt attention to the initiation of quality programs for this first year, including the summer months of 1966.

ARTHUR L. HARRIS
Associate Commissioner
Bureau of Elementary and Secondary Education

JOHN F. HUGHES
Director
Division of Program Operations

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SECTION I

ADMINISTRATION AND FINANCE

PART A. ADMINISTRATION AND REPORTING

GENERAL INFORMATION

Title I of the Elementary and Secondary Education Act of 1965 is the major thrust of the national effort to "bring better education to millions of disadvantaged youth who need it most." [1] The Congress has made available more than $1 billion for 1965–66, the first year of this title.

Administrative Responsibilities

The act places responsibilities for administering programs supported by Federal funds under Title I on the U.S. Commissioner of Education, State educational agencies, and local educational agencies. It is incumbent upon all concerned to use such funds in accordance with the spirit and intent of the act and regulations.

U.S. Commissioner of Education

The U.S. Commissioner of Education is responsible not only for the overall conduct of the program at the national level but also for the determination of the maximum amounts to be allocated to eligible districts or counties and to State agencies that operate or support schools for handicapped children. Federal control of any aspect of education at any level, however, is prohibited.

In the performance of its responsibilities, the Office of Education—

- Approves applications submitted by State educational agencies for participation in the program.
- Makes funds available for the program.
- Develops regulations, guidelines, and other materials relating to the administration of the program.
- Provides consultative services to State educational agencies in carrying out their responsibilities.
- Reviews and assesses programs and progress made under Title I throughout the Nation.
- Compiles from report submitted by the State agencies various fiscal and program reports to the Congress and to the public.

State Educational Agencies

In its formal application to the Commissioner of Education to participate in the Title I program, a State educational agency includes assurances that it will administer the program and submit reports in accordance with the provisions of the law and the regulations. Following the approval of its application, it furnishes to the Office of Education a description of its plans for staffing, organizing, and administering the program (see p. 13, exhibit No. 1, OE–4315). In the administration of the program, its major responsibilities are to—

- Suballocate basic grant funds, where necessary, to eligible local educational agencies.

[1] Message from the President of the United States transmitting the education program, Jan. 12, 1965.

797-086 O–66–2

- Assist local educational agencies in the development of projects.
- Approve proposed projects in accordance with the provisions of section 205(a) of Title I and make payment of funds to local educational agencies.
- Maintain fiscal records of all grant funds.
- Prepare and submit fiscal and evaluative reports to the Office of Education.

Local Educational Agencies

The local educational agency is responsible for developing and implementing approved projects to fulfill the intent of Title I. It is therefore responsible for identifying the educationally deprived children in areas where there are high concentrations of children from low-income families, for determining their special needs, for designing projects to carry out the purposes of the legislation with regard to such children, and for submitting applications to the appropriate State educational agency for grants to fund proposed projects. The local educational agency is also responsible for—

- Using grant funds in accordance with approved project budgets and for the purposes for which the projects have been approved.
- Making available for inspection by the public the terms and provisions of each approved project.
- Maintaining adequate fiscal records on all project funds and reporting to the State educational agency on the use of such funds.
- Maintaining fiscal effort with respect to total current expenditures for education and also with respect to such expenditures in the project areas.

Emphasis on Evaluation

In view of the pioneering nature of this national program and of the amount of new ground that will be broken under it, Title I emphasizes and contains special provisions for the evaluation of the extent to which projects and programs conducted under it are effective in improving the educational attainment of educationally deprived children and for periodic reports on the results of this evaluation. It also creates a National Advisory Council on the Education of Disadvantaged Children which will review the effectiveness of the Title I program in improving the educational attainment of educationally deprived children and make recommendations for the improvement of its provisions, administration, and operation. The Council will make its first annual report to the President not later than March 31, 1966; the President will transmit this report, with his comments and recommendations, to the Congress.

Related Statutes

Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 states: "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." Programs under Title I of the Elementary and Secondary Education Act of 1965 must be operated in compliance with this law, and State and local educational agencies must provide satisfactory assurance of compliance.

Economic Opportunity Act of 1964

In any area where a community action program under Title II of the Economic Opportunity Act of 1964 is in effect, any project under Title I of the Elementary and Secondary Education Act must be developed in cooperation with the public or nonprofit agency responsible for the community action program.

Financial Assistance for Local Educational Agencies in Areas Affected by Federal Activity (Title I of Public Law 81–874)

Title I of the Elementary and Secondary Education Act of 1965 amends Public Law 81–874 by adding Title II "Financial Assistance to Local Educational Agencies for the Education of Children of Low-Income Families." Title III "General" of Public Law 81-874, as amended, contains various definitions which, with minor exceptions, are applicable to both the program for federally affected areas and

the program for children of low-income families.

Others

A number of other statutes, including the Manpower Development and Training Act, the Vocational Education Act of 1963 (programs for potential school dropouts and unemployed youth), and the National Defense Education Act (institutes for training teachers of the disadvantaged), as well as other titles of the Elementary and Secondary Education Act itself provide educational programs designed to benefit the educationally deprived. Public Law 89–313 amended Title I to provide for grants to State agencies operating or supporting schools for handicapped children.

ELIGIBILITY AND MAXIMUM GRANTS

Determination of Eligibility of Local Educational Agencies

A local educational agency is defined as an agency which has administrative control and direction of free public education up to and including, but not beyond, grade 12 in a county, township, independent, or other school district. To be eligible to participate in the Title I program in 1965–66, such an agency must serve a school district in which the concentration of children aged 5 through 17 from families with an annual income of less than $2,000, as shown in the 1960 census, meets the minimum statutory requirements. The bases on which the Commissioner of Education determines whether an agency meets these requirements are outlined below.

School District Basis

The Commissioner determines the eligibility of local educational agencies on a school district basis, if satisfactory census data are available by school district. The 1960 census data, which are the most recent available, are in most cases not satisfactory for making such determinations. Where, however, the 1960 census data are satisfactory for this purpose, these data are used, and the eligibility of school districts is determined in accordance with the following criteria:

- All school districts in which the total number of children aged 5 through 17 from families with an annual income of less than $2,000 represents at least 3 percent of all children aged 5 through 17 in the district and totals not less than 10 are eligible to receive grants under Title I.
- All districts containing 100 or more children aged 5 through 17 from families with an annual income of less than $2,000 are automatically eligible, regardless of the percentage of such children.

County Basis

When satisfactory census data are not available on a school district basis—as was the case for most districts in fiscal year 1966—the Commissioner determines eligibility on a county basis. If a county, according to the 1960 census, contained 100 or more children aged 5 through 17 from families with an annual income of less than $2,000, the county is eligible and all local educational agencies within that county are also eligible. It should be noted, however, that if the county is coterminous with the district of a local educational agency, that is, if the boundaries of the county conform substantially to the boundaries of the school district, the eligibility of that agency is determined in accordance with the criteria given above for determining eligibility on a school district basis.

Individual School District Basis Within an Ineligible County

Even when a county is ineligible on a county basis, it is still possible that an individual school district within that county might be determined to be eligible to receive grants. To obtain such a determination, the State educational agency should provide the Commissioner with sufficient information concerning the boundaries of the school districts within the county to enable him to determine from available census data that, in the district in question, the number of children aged 5 through 17 from families with an annual income of less than

$2,000 was at least 10 and was equal to at least 3 percent of the total number of children in this age bracket in the district.

Determination of Maximum Basic Grants to Local Educational Agencies

Title I provides that the U.S. Commissioner of Education shall make payments to the States, in amounts to be determined in accordance with the act, for grants to local educational agencies. These grants are to be of two kinds: Basic grants for each of the 3 years beginning July 1, 1965, and incentive grants for each of the 2 years beginning July 1, 1966. These guidelines deal only with basic grants.

Determination by the U.S. Commissioner of Education

The computations of the amounts of maximum basic grants follow a pattern similar to that just outlined regarding eligibility. The law provides that the Commissioner determine maximum basic grants for each eligible district for which the requisite census data are available. When they are not—as was the case in most instances for the year ending June 30, 1966—the Commissioner determines the aggregate maximum basic grant for each eligible county.

Formula Used in Computation, 1965–66

In all cases the formula used in the computation of maximum basic grants for the year ending June 30, 1966, was the same. It was based on an impartial count of children aged 5 through 17 of low-income families without regard to whether these children were in public school, in private school, or out of school. It involved the following three factors:

A. The number of children aged 5 through 17 from families with an annual income of less than $2,000.

B. The number of children aged 5 through 17 from families with incomes exceeding $2,000 in the form of aid to families with dependent children under Title IV of the Social Security Act.

C. One-half the average per pupil expenditure in the State for the second preceding year.

Substituting the symbols used above for the factors themselves, the formula applied was:

$(A+B)\times C$=the number of dollars of the maximum basic grant.

Determination by State Educational Agencies

Where the boundaries of an eligible county do not conform substantially with the boundaries of a single school district, the State educational agency determines suballocations to individual local educational agencies within that county in accordance with criteria set forth in the regulations. The regulations require that the State educational agency inform the Commissioner of the bases used in determining these suballocations and of the maximum amount allocated to each local educational agency.

Limitation on Amount of Basic Grants, 1965–66

During fiscal year 1966 (but not during subsequent years) the amount of a maximum basic grant may not exceed 30 percent of the amount budgeted by the local educational agency for current expenditures. Current expenditures are expenditures from current revenues with the exception of expenditures for the acquisition of land, erection of facilities, interest, and debt services, and expenditures from Federal funds received under this title or other titles of the Elementary and Secondary Education Act of 1965.

Grants to State Agencies Operating or Supporting Programs for Handicapped Children

Separate allocations of maximum basic grants are made to State agencies directly responsible for providing free public education, not beyond grade 12, for handicapped children on a nondistrict basis. Their free public education may be provided in State-operated or State-supported schools. A State agency's maximum grant under this portion of the program is based on the average daily attendances

of all of the handicapped children for whom it provides free public education, multiplied by one-half the average per pupil expenditure in the State for the second preceding year. The allocations for 1965–66 to State agencies do not in any way affect allocations to local educational agencies.

REPORTING REQUIREMENTS

In order to insure the proper and effective use of the funds granted for the conduct of programs under Title I and make it possible to appraise the effectiveness of the programs themselves, fiscal and evaluative reports must be made by the local educational agencies, the State educational agencies, and the Office of Education. Basic to this three-tiered reporting system are the reports on local projects required of the State educational agencies; the reports required of the State educational agencies will be based largely on the reports these agencies require of their participating local educational agencies.

Project Reporting

Each State educational agency has been requested to send to the Office of Education one copy of each approved project application (pts. I and II). The narrative portions of these applications, however, are transmitted to the Office on a sample basis only. This flow of current information on State approvals of projects enables the Office to compile up-to-date financial and statistical information for use in reporting to the Congress and up-to-date program information for use in reporting to the Nation.

Fiscal Reports

Detailed information about the fiscal reports required of the States and about the reports the States will undoubtedly seek from their participating local educational agencies is given in Part B of this section.

Evaluative Reports

Annual Project Evaluation Report

An annual project evaluation report on each of its Title I projects must be submitted by the local educational agency to the State educational agency at the end of the fiscal year. The first such reports will be due in the fall of 1966. The exact format and submission date will be determined by the State agency.

Annual Statewide Program Evaluation Report

This report must be submitted by the State educational agency to the Office of Education each November 1. The first annual statewide program evaluation report is due November 1, 1966.

PART B. FISCAL ADMINISTRATION

This part is intended to spell out for the participating State and local agencies the procedures that are to be used in accounting for Federal funds; the records that are to be maintained for fiscal purposes; and the fiscal audits that are to be made.

ACCOUNTING BASIS TO BE USED

Section 116.46(b) of the regulations states:

> For purposes of the regulations in this part a use of funds under Title . . . [I] of the Act by a State or local educational agency will be determined on the basis of documentary evidence of a binding commitment for the acquisition of goods or property, for construction, or for the performance of work, except that use for services of persons and for travel shall be determined on the basis of the time such services were rendered or such travel was performed.

This is interpreted to mean that all State and local educational agencies will use the obligation basis of accounting in maintaining fiscal records and reporting.

Accounting at State Level

For State Administration

Obligations of Federal funds for State administration will occur when the State agency issues purchase orders, executes contracts, or incurs obligations for services. Such obligations may not be incurred earlier than the effective date of the U.S. Office of Education approval of the State agency's application to participate in the program and not later than June 30 of the fiscal year. These obligations will be recorded as charges against the appropriation available at the time the obligations are incurred, and adjusted to the amounts of the final net payments by the State. All such adjustments will be recorded and reported as adjustments of the expenditures for the fiscal year in which the obligations were incurred.

Claims by the State educational agency for program administration must be comprised only of costs which are directly related to carrying out the program. Overhead costs unrelated to the program are not eligible costs under this title. Thus, any costs of State administration must be adequately documented so as to identify them as direct costs of administrative operations and technical assistance under the Title I program.

For Project Approvals

Obligation of Federal funds will occur when the State agency gives written approval of the local project and assigns a project number. All projects to be financed with funds appropriated for a particular fiscal year must be approved by the State agency by June 30 of that fiscal year.

As of June 30 of a fiscal year the State agency shall compute the total amount approved for projects during the fiscal year in order to ascertain the amount of funds available for State administration. Such amount shall not exceed 1 percent of the total of such approved projects or $75,000 ($25,000 in the case of the outlying parts), whichever is greater.

Accounting at Local Level

All local agencies including those using an accounting system other than an obligation one will need to maintain an accounting of Title I funds on an obligation basis. Section 116.46(d) of the regulations states:

> Federal funds distributed to local educational agencies shall not be available for use with respect to obligations incurred by such agencies for a project prior to the effective date of the approval by the Commissioner of the State application for participation or prior to the date on which the application of the local educational agency for a grant with respect to that project was received by the State educational agency in substantially approvable form.

Obligating documents may be issued during the months of July and August of the next fiscal year provided they are permitted under the projects approved, are for services and activities to be carried out prior to August 31, and are charged to the fiscal year in which the project was approved. Thus, local obligating documents for items within an approved project budget may be issued during the 2 months after the end of the fiscal year in which the project was approved. This will permit financing of summer projects with grant funds available for the year in which the project is approved. Obligating documents for construction may be issued later than August 31 of the following fiscal year, but must be executed within a reasonable time considering the nature of the project.

Liquidation of Obligations at State and Local Levels

If the final payment for a previously reported obligation for either State administration or a local project is not completed before the end of the fiscal year following the fiscal year in which the obligation was incurred, the unliquidated (unpaid) portion of the obligation must be canceled. There may be no Federal financial participation in such costs extending beyond this period, except in the case of construction costs where the nature of the construction will determine the length of the payment period.

Obligations incurred at the local level will be adjusted to the amounts of the actual net payments by the local agency when the payments are

made. All such adjustments will be recorded and reported as adjustments of expenditures from the allotment available at the time the project was approved.

USE OF LETTER OF CREDIT SYSTEM

The following indicates the use that will be made under Title I of the "Letter of Credit System for Payment of Grants to States" which has been sent to State Treasurers and Chief State School Officers by the U.S. Office of Education.

Upon the approval of a State educational agency's application to participate in the Title I program, the agency should proceed to use the Letter of Credit System to withdraw funds for the operation of its programs. Withdrawals of Federal cash by the State agency will be limited to the amount needed for current disbursement.

Upon receipt of notification of approval of a State application for participation in the Title I program, the State may include its cash requirements for local grants and State administration for the program in determining the amount of funds to be withdrawn in accordance with the Letter of Credit procedures. These funds will be deposited with the State Treasurer, or other authorized officers. Upon the approval of a local agency application, the State educational agency will direct its payment officer to advance to the local educational agency funds in the amount needed for anticipated expenditures to be incurred during the remainder of the current quarter. Thereafter, either monthly or quarterly advances may be made on the basis of the "Quarterly Disbursement and Estimated Requirement of Federal Funds" reports (see exhibit No. 5) submitted by the local educational agency, or on a reimbursement basis.

ESTIMATING AND REPORTING REQUIREMENTS

Outlined below are the procedures to be followed by local and State agencies for reporting purposes.

Local Estimates of Need for Federal Funds

The local agency's application for a grant to the State agency (form OE–4305) should be accompanied by an estimate of the total amount of funds needed for the project for the remainder of the current quarter.

Upon approval of an application and receipt of the initial payment the local agency will submit to the State agency a quarterly estimate showing estimated requirements for Federal funds by month. For each quarter thereafter the local agency will submit by the 10th of the first month of each quarter its "Quarterly Disbursement and Estimated Requirement of Federal Funds" for each project.

Project Completion Reports: Preliminary and Final

Following the completion of a project by a local educational agency for each fiscal year, the local agency shall report to the State agency on the total costs of that project. Thus, the State agency should design a financial report form which the local agencies will use in rendering their reports. A preliminary report should be submitted to the State agency soon after the termination of the project, which will be either after June 30 or August 31 depending upon the period for which the project was approved. A final fiscal report for each project as of June 30 of the following fiscal year should be submitted shortly after that date.

Such a report should include the following items of financial information:

- The amount approved for the project.
- The total of all Federal funds received for the project during the fiscal year, including the amount for summer programs if such were approved under the project.
- The total amount of all obligations incurred under the project.
- The total of all funds disbursed under the project, broken down by expenditure accounts in the project budget showing the Federal funds disbursed under Title I.
- Outstanding unliquidated obligations.
- Title I Federal funds on hand.

- Federal funds received but not needed—cash balance.

State Quarterly Estimates of Obligations

For each quarterly period commencing with the date of withdrawal of funds for the program under the Letter of Credit System the State agency will report to the U.S. Office of Education on form OE–4316, "Quarterly Estimate of Obligations" (exhibit No. 2):

- Total dollar amount estimated to be approved for local projects during each month of the following quarter.
- Net amount of obligations to be incurred for State administration during each month of the following quarter.
- Total dollar amount actually approved for local projects from the beginning of the fiscal year to the end of the previous report period.
- Net amount of obligations incurred for State administration from the beginning of the fiscal year to the end of the previous period.

The State agency's "Quarterly Estimate of Obligations" will also serve as its report of obligations incurred by local educational agencies and by the State for administration. Such a report serves to advise the Office of Education of the actual rate of expenditures as compared to the estimated rate of expenditures. This information is necessary to maintain fiscal control of Federal funds and to support requests for additional funds from the U.S. Congress if required in the light of the current rate of obligations.

Annual Financial Report

By November 30, following the close of each fiscal year, the State agency on "Annual Financial Report" (see OE–4318, exhibit No. 3) will report the total obligations incurred during the fiscal year and any adjustments due to liquidation of obligations for prior years for both State administration and for approved local projects. Such reports will serve as a basic financial document at the time of Federal audit and program reviews and as a basis of reporting to Congress.

LOCAL RECORDS OF PROJECT TRANSACTIONS

The State educational agency shall prescribe such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of funds paid to local educational agencies.

It is necessary that the local agency maintain some type of record of transactions for each approved project. Exhibit No. 4, "Record of Project Transactions," is a sample of a method which could be used in establishing and maintaining such records. If such a record is adopted, it can be maintained manually or on a typewriter, with a carbon copy to be sent to the State agency at the end of each calendar quarter; or a single original record can be maintained in such form that a photo-copy can be made and sent to the State agency at the end of each calendar quarter.

Important items to remember are:

- Entries must be made daily as the transactions occur.
- A separate record should be maintained for each numbered project.

The "Record of Project Transactions" is designed to accomplish several purposes. This report form will serve to fulfill the local agency's cash reporting requirements. This form, showing all of the basic financial transactions involved, also—

- May help those not yet familiar with obligation accounting to understand the necessary steps of obligating, liquidating, and disbursing.
- Can serve as a local project journal, if the local agency does not already have a system.
- Will serve as a report to the State agency of all transactions as they actually occurred and as a basis for preparing the usual financial report upon completion of each project.
- Will be of assistance at the time of an audit at the State level.

Use of this form will permit the local and State agency to know exactly what purchases

were made, when the purchase orders were issued, when they were paid, and the exact amount of the final payment, without requiring the receipt at the State level of actual copies of purchase orders and invoices. It provides sound fiscal control in that it eliminates any generalizations or summaries which cannot be supported by specific detail upon request of the State agency or any auditor who may have jurisdiction. Each entry can be easily related to the basic document which should be readily available for review at the local level.

For those local agencies which already have an accounting system on an obligation basis, the form may be used as a subsidiary project journal to separate the transactions of each project from the regular local agency activities and from other projects. This separation will benefit the local agency in its current management operations. It will also provide a record that will be easily accessible to project auditors and one that will be separated from regular local agency transactions.

RECORDS OF ACCOUNTABILITY AND DOCUMENTATION OF COSTS

The law requires all State and local educational agencies receiving grants under this title to keep records relating to claims for Federal funds. There can be no Federal financial participation in overhead costs which are arrived at on a straight percentage basis. Such overhead costs may be allowed as can be documented and substantiated as directly related to the project. Supporting documentation for entries in the accounting records is very important at the State and local agency level. In this program the prorating of employees' time may be a special problem. The proration of their salaries to more than one program or project is a "must" for those employees who are not assigned full time to one program or approved project. Such proration must be based upon the amount of time an individual actually devotes to the approved program and therefore must be documented by a before-the-fact statement of the time estimated that each employee will devote to the program and an after-the-fact statement of the actual time such person did devote to the program, signed by the responsible official. These documents must be available at the time of audit to support claims for part-time personnel in the Title I program. States should insure that the total amount of time prorated among the various Federal-State programs to which a staff member is assigned does not exceed 100 percent of the time of such staff member. There are two other aspects of documentation at the local and State agency level which warrant careful attention. Information on these aspects is given below.

Documentation of Receipt of Material and Equipment Purchased

Although in many cases formal receiving reports are not necessary, there should at least be a notation on the invoice that such materials or equipment were received in good condition and in the quantities indicated on the invoice.

Keeping an Equipment Inventory

The act requires that the title to property acquired under this title shall be in a public agency which will be responsible for administering such property. Inventories of equipment purchased by State and local agencies should be maintained on all items costing $100 or more per unit for the useful life of the equipment or until some disposition of the equipment has been made. The inventories should also include all items of equipment temporarily placed on the premises of or in a private school, regardless of their cost.

In addition to the records mentioned above, the State agency must maintain all financial reports submitted to it by the local agencies. State fiscal records should be sufficient to substantiate and document all amounts of Federal funds granted, obligated, and disbursed (1) by specific project and programs, separately from other Federal projects and programs, and (2) by type of expenditure.

Records must be kept for 3 years or until the State agency is notified that such records are not needed for administrative review, or until completion of the Federal audit, whichever date is later.

797-086 O-66-3

AUDITS

All financial activities under this program are subject to audit at both the local and State agency level.

Local Agency Audits

Project expenditure records will be audited locally. Such audits may be done as a regular part of the local school audit procedures prescribed by State laws or regulations. Local agency audit programs should be developed in accordance with generally accepted auditing standards, with due consideration for Federal policies governing the use of grant funds as well as State or local policies and procedures. The local audit report should include separate financial schedules or statements identifying receipts and expenditures applicable to each specific project with appropriate certification as to the truth of the report.

Reports and workpapers of local audits should be available for review by appropriate State and Federal auditors and should include a description of the method and extent of tests, examinations, and other techniques used in making the required verifications.

Specific Audit Considerations

For audits of local agencies, it is essential that specific audit procedures be developed to verify that—

- Funds disbursed by the local agency were received and properly accounted for.
- Payments reported by the local agency were actually made to the vendors, contractors, and employees and that they conform to applicable laws and regulations, including procurement requirements.
- Refunds, discounts, etc., were properly credited to the specific programs as reductions of the gross expenditures.
- Payments are supported by adequate evidence of the delivery of goods or performance of services.
- Obligations reported were actually incurred during the fiscal year or project period for which the project was approved and, upon liquidation, were properly adjusted.
- The same item is not reported as an expenditure for 2 fiscal years, e.g., obligation in one year and payment in another.
- All obligations claimed for federally supported Title I projects were made for properly approved projects and are easily identifiable with these projects.
- State and local agency rules applicable to equipment records and control are followed.
- Costs, such as salaries, travel, etc., are correctly prorated.
- The sources of funds expended for federally reimbursed projects were stated correctly, and that the same expenditures were not claimed under more than one Federal program.
- Unexpended or unearned Federal funds advanced or overpaid were returned promptly or otherwise correctly accounted for.
- If the local agency is on a fiscal year different from the Federal fiscal year, the audit report reflects outstanding obligations as of June 30 or August 31, whichever the case may be, in sufficient detail to permit identification of subsequent payments. Such obligations should be compared with reports submitted by the local agency to the State agency.

The audit report should be properly certified by the auditor to the effect that the procedures he used to verify and otherwise substantiate his findings are in accordance with the procedures outlined above.

The Office of Education will continue to work with State authorities toward the fulfillment of State and local responsibilities for general and specific audits of local records. Effective standards for local audits related to specific programs should include as a minimum:

- Sufficient information for the local auditor regarding the requirements and limitations of the program to enable him to certify as to the eligibility of the expenditures reported.

- Specific information in the audit report sufficient to permit reconciliation with amounts shown on the records in the State office and assurance that such reconciliation is actually made.
- Assurance that exceptions reported by the auditor are brought to the attention of officials in the State office responsible for the operation of the program and assurance that appropriate adjustments or other administrative actions are taken by such officials. (Specific audit steps and other information regarding financial management of Federal-State education programs may be found in the pamphlet, *Financial Management of Federal-State Education Programs* (OE–10019), which was distributed by the U.S. Office of Education to all State agencies in 1962. Additional copies of this pamphlet are available.)

Responsibility of State Agency To Provide for an Adequate Audit Program

It is the responsibility of the State educational agency to see that audits performed for local agencies are within State laws and practices and are adequate in terms of the standards and conditions described above, whether conducted by the State agency or by outside auditors. The agency should verify audits performed by it or other auditors either on a sampling basis by verifying the accuracy of project documentation at the State level or on a test check basis at the local level. Such audit reports must be made available for use of the State agency and representatives of the U.S. Department of Health, Education, and Welfare.

All such records and documents at the State office will be examined by program review teams and Federal auditors.

Federal Audits

As a part of their regular activity of program and administrative reviews of State operations, staff members from the Office of Education will examine certain fiscal aspects of State administration including status of project approvals, obligations incurred for administration, cash withdrawn, and disbursements made. Regular annual audits will be conducted by the Department of Health, Education, and Welfare Office of Audit on a substantially current basis. Audits will also be conducted by the U.S. General Accounting Office.

Audits by Federal agencies will normally be limited to the State agency level. Where State agency control has been such that records there are not adequate, Federal agency auditing may be extended to the local agencies.

Availability of Audits to Departmental Auditors and the U.S. Commissioner of Education

Audits of project accounts when completed at the local level by local or State auditors should be set out from the normal school audit, filed at the State level, and made available to auditors in the Department of Health, Education, and Welfare, or representatives of the Commissioner of Education. To the extent that reports of local audits are complete and adequate, they may meet the requirements of departmental auditors. However, where such reports are found to be inadequate, local project expenditure records must be made available as required to the departmental auditors or representatives of the Office of Education.

Audit Exceptions

An audit exception is a determination by an appropriate authority that an item questioned by the auditor is not properly chargeable to the program and should be disallowed. The Commissioner of Education determines the allowance or disallowance of items questioned by the auditor.

Office of Education Services Available in the Areas of Fiscal Control Accounting and Audits

The staff of the Office of Education may be of assistance in the formulation of sound financial management practices which will enable agencies handling Title I funds to account readily for such funds and to minimize fiscal adjustments resulting from Federal post audits.

SOME LIMITATIONS ON THE USE OF PROJECT FUNDS

Transfer or Reallocation of Funds

Neither the State nor the local educational agencies may transfer or reallocate funds from one local educational agency to another. This, however, does not preclude participation of local educational agencies in cooperative projects.

Reallocation of Funds Between Projects

If a local educational agency with more than one approved project desires to transfer funds from one to another of these projects, it must first submit to the State educational agency the necessary amendments to the projects as originally approved. No transfer of this kind may be made until the State educational agency has approved these amendments. Before approving such amendments, the State agency should assure itself that the transfer of funds involved will not alter the projects in such a way as to render them unapprovable from the standpoint of size, scope, quality, or other criteria.

Deviation in Utilization of Project Funds

Whenever the utilization of project funds is expected to vary by more than 10 percent over or under the total amount approved for a project, the local agency should seek the approval of the State agency. State agencies should also inform local educational agencies of the extent to which deviations in budgeted line items of projects will be permitted.

Exceeding the Maximum Basic Grant

The number of projects that a local educational agency may propose as parts of its total program under Title I during any one year is not limited; but the total amount requested for all its projects may not exceed the total of the maximum basic grant for which the agency is eligible during that year.

Adjustments Due to Overpayments

In the event that a local educational agency has been paid funds in excess of actual approved project costs, such excess funds should be credited as an advance payment on a current project of that local educational agency, or returned by check to the State educational agency. Likewise, any audit exceptions sustained by the State from its own audit findings or by the U.S. Commissioner of Education from the findings of Federal auditors will constitute an overpayment.

EXHIBITS

OE–4315 Exhibit No. 1

Department of Health, Education, and Welfare
Office of Education
Washington, D.C., 20202

DESCRIPTION OF STATE PROGRAM ORGANIZATION AND ADMINISTRATION

Public Law 89–10, Title I

ADMINISTRATION

I. Briefly describe the unit or units within the State agency responsible for the administration of the Title I program. Attach a complete organization chart of the State agency showing the relationship between this unit or units and the rest of the agency.

II. Provide information which will reflect the cooperative relationships that will exist between the State agency Title I administrative units and other State agencies, organizations, or institutions in the State concerned with educational programs for the educationally deprived.

Provide specific information which will describe procedures to be followed at the State level to coordinate Title I programs with community action programs. Describe arrangements made with State technical assistance officials to exchange project and program information to the end that each office is fully informed and its activities are coordinated with the other.

III. Describe the steps taken by the State agency prior to the approval of its application in getting the program underway, including:
- A. Use of State employees and consultants.
- B. Technical assistance provided to local schools. (Be specific.)
- C. Meetings and conferences.
- D. The development of instructions, guidelines, policies, and materials relevant to program implementation. (Please enclose copies.)

IV. List by name the officers in charge or designated to perform the following functions:
- A. Overall program administration.
- B. Approval of projects.
- C. Measurement and evaluation including State evaluation and assistance to local districts on specific projects.
- D. Liaison with the State technical assistance program, Office of Economic Opportunity (see sec. 205(a)(7)).
- E. Reports to the State educational agency and to the Commissioner of Education.
- F. Acquisition and dissemination of research and other information to assist applicants in planning and operating projects.
- G. Receipts and custody of Federal funds under this program.
- H. Authorization of payments to local educational agencies.

V. Describe the State's procedures for accounting and for auditing local projects.

VI. List by position title the number of all personnel to be engaged in administering the program at the State level, including those who will provide technical services in program development, fiscal, statistical, and evaluation activities (indicate by asterisk (*) the titles representing new positions):

Title	Number of positions	Percent of time to be devoted to program

PROGRAM OPERATION

I. Describe any State policies, requirements, or standards for approving and rejecting projects with respect to:
   1. Selection of project areas.
   2. Identification of special educational needs in the project area.
   3. Size, scope, and quality.
   4. Provisions for children enrolled in private schools.
   5. Procedures for evaluation including objective measures of educational achievement.
   6. Coordination with local community action programs approved under the Economic Opportunity Act.
   7. Procedures for acquiring and disseminating information relevant to the planning and operation of projects for educationally deprived children and for the adoption of promising practices.

II. Cite any State statutes, regulations, or Attorney General's opinions governing the relationship of local educational agencies to children enrolled in private schools.

III. Describe the basis used for determining maximum basic grants to local educational agencies. (See regulations 116.4, 116.6, and 116.33.)
Attach a list of all of the local educational agencies in the State showing the maximum grants allocated to each agency.

IV. What arrangements will be made for the participation of State technical specialists and for consultants to provide assistance to State and local educational agencies for:
   A. Planning and development of programs for educationally deprived children, including handicapped children within the State.
   B. Evaluation of programs and projects approved, including objective measurements of educational achievement.

V. Anticipated, estimated expenditures for projects and for State administration:

Period	State administration	Projects
From date of application approval to Dec. 31, 1965	$_____	$_____
From Jan. 1, 1966, to June 30, 1966	_____	_____
Total	_____	_____

_____ _____

(Date) Signature of Chief State School Officer

OE-4316

Exhibit No. 2

OE 4316 (11-65) DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

QUARTERLY REPORT OF OBLIGATIONS
Elementary and Secondary Education Act of 1965

NOTE: Please read instructions on the reverse before completing this report.

STATE

FOR FY ENDING
JUNE 30, 19____

FOR QUARTER ENDING ("✓" one)
☐ SEPTEMBER ☐ MARCH
☐ DECEMBER ☐ JUNE

PART A - NUMBER OF PROJECTS APPROVED FROM JULY 1 THROUGH END OF PREVIOUS QUARTER

1. NUMBER APPROVED FOR TITLE I	2. NUMBER APPROVED FOR TITLE II

PART B - ANTICIPATED AND ACTUAL OBLIGATIONS

ITEM		TITLE I		TITLE II		TITLE V
	1	LOCAL AGENCY PROJECT APPROVALS 2	STATE ADMINISTRATION 3	LOCAL AGENCY PROJECT APPROVALS 4	STATE ADMINISTRATION 5	STATE DEPARTMENT OF EDUCATION 6
1	ENTER MONTHS OF THIS QUARTER Month					
2	Month					
3	Month					
4	TOTAL ANTICIPATED OBLIGATIONS (SUM OF 1, 2, AND 3)					
5	ACTUAL OBLIGATIONS FROM JULY 1 THROUGH END OF PREVIOUS QUARTER					
6	TOTAL ANTICIPATED AND ACTUAL OBLIGATIONS (SUM OF 4 AND 5)					

I CERTIFY THAT ALL THE INFORMATION CONTAINED HEREIN, INCLUDING THE REPRESENTATION AS TO THE AMOUNTS OF OBLIGATIONS DURING THE STATED PERIOD, IS TRUE, COMPLETE, AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SUBMITTED BY (TYPE NAME AND TITLE)	SIGNATURE OF REPORTING OFFICIAL	DATE

FOR OFFICE OF EDUCATION USE ONLY

APPROVED BY (DIRECTOR OF DIVISION OF PROGRAM OPERATIONS)	DATE

	TITLE I		TITLE II		TITLE V
PREVIOUS OBLIGATIONS FROM LAST QUARTERLY REPORT FOR THIS FY					
NET CHANGE IN OBLIGATIONS FOR THIS REPORT (+ OR -)					

TRANS. CODE 1	DOC. REF. 2	OBLIGATION NUMBER 3	FY 4	UNIFORM ACCT'NG. NO. 5	OBJECT CLASS 6	PROGRAM CODES EXP. CLASS 7	SAL.-PAY 8	9	SEC. REPT. 10	VOUCHER NUMBER 11	SCHEDULE NUMBER 12

GEO. CODE 13	GOVT./ NON-GOVT. 14	VENDOR NUMBER 15	AMOUNT 16	CR. SYM 17	GENERAL LEDGER DEBIT 18	GENERAL LEDGER CREDIT 19	APPROPRIATION SYMBOL 20	21

BUDGET BUREAU NO. 51-R531

OE–4318 (Proposed)

Exhibit No. 3

Department of Health, Education, and Welfare
Office of Education
Washington, D.C., 20202

ANNUAL FINANCIAL REPORT

Public Law 89–10

Elementary and Secondary Education Act of 1965, Title I

State	For fiscal year ending _____, 19___

INSTRUCTIONS

Return original and 3 copies of this report, not later than November 30 for each fiscal year, to: Director, Division of Program Operations, U.S. Office of Education. Account number refers to code series in the handbook, "Financial Accounting for Local and State School Systems" available from the U.S. Office of Education or the Government Printing Office. "Expenditure" includes disbursements plus unliquidated obligations to be paid as of August 31.

SECTION I—STATE ADMINISTRATION

Account number	Expenditure accounts	Expenditures of Federal funds		
		Salaries	Other	Total
100	Administration	$	$	$
200	Instruction			
1230 B–C	Office equipment			
	Other (specify)			
	Total	$	$	$

SECTION II—LOCAL EDUCATIONAL AGENCY

Item 1—Project Expenditures

Account number	Expenditure accounts	Actual expenditures of Federal funds		
		Salaries	Other	Total
100	Administration	$	$	$
200	Instruction			
300	Attendance service			
400	Health services			
500	Pupil transportation service			
600	Operation of plant			
700	Maintenance of plant			
800	Fixed charges			
900	Food services			
1000	Student body activities			
1100	Community services			
1220	(c) Minor remodeling			
1230	Initial or additional equipment			
	Other (specify)			
Total (item 1)		$	$	$

Item 2—School Facilities Expenditures

Account 1220	Expenditure accounts	Actual expenditures of Federal funds		
		Salaries	Other	Total
A.	Construction	$	$	$
B.	On-site utilities: connections			
C.	On-site improvements			
D.	Equipment			
E.	Plan preparation and construction supervision			
F.	Legal and administrative			
G.	Other (specify)			
H.				
Total (item 2)		$	$	$
Total (add items 1 and 2)		$	$	$

SECTION III—ADJUSTMENTS OF PRIOR YEAR EXPENDITURES

State _____

(Adjustments Enter plus or minus)	Total expenditures of Federal funds		
	State administration	Project expenditures	School facilities
1. Fiscal year—	$	$	$
2. Fiscal year—			
3. Fiscal year—			
4. Total adjustment (1 plus 2 plus 3)			
5. Expenditures during current fiscal year (same as section 1 and 11)			
(Add 4 and 5) Total:	$	$	$

CERTIFICATION

I certify that all the information contained herein is true, complete, and correct to the best of my knowledge and belief.

Signature (*Head, State Education Agency*)	Date reported

Exhibit No. 4

RECORD OF PROJECT TRANSACTIONS

Local agency_____ State_____

Federal program_____ Project No._____ Date approved_____ Amount approved $5,000

OBLIGATIONS

Obligation reference		Item or Name of Vendor	Account No. [1]	Unpaid	Paid	Date paid or canceled	Check No.	Available balance
Date (1)	Number (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sept. 3, 1965	497	Standard School Supply.	230c	$647. 50				$4, 352. 50
Sept. 15, 1965	736	School Equipment Co.	1230c	2, 500. 00				1, 852. 50
Sept. 30, 1965		September payroll	213		$300	Sept. 30, 1965	355	1, 552. 50
Oct. 15, 1965	740	Standard school supply.	230c	150. 00				1, 402. 50
Oct. 18, 1965	497	do	230c	(647. 50)	640	Oct. 18, 1965	749	1, 410. 00
Oct. 30, 1965		October payroll	213		450	Oct. 31, 1965	738–40	960. 00
Oct. 31, 1965	736	School Equipment Co.	1230c	(2, 500. 00)				3, 460. 00
Totals				150. 00	1, 390			3, 460. 00

The available balance (col. 9) will be the amount of the previous balance minus the net amount obligated as shown in column 5 and minus the amount paid in column 6. The amount liquidated should be entered in column 5 as a negative figure (item No. 497). To record and report cancellation of a purchase order, the amount originally recorded as an obligation will be reversed by a negative entry in column 5 with a new date entered in column 1, which shows the date of the cancellation. The effect of this will be to increase the available balance.

[1] See project budget, account numbers, item 10, pt. II.

NOTE

This report shows that the total disbursements to date were	$1, 390
Unpaid obligations, for 1 outstanding purchase order	150
Total funds, used or obligated	1, 540
Balance still available for new payrolls or purchase order	3, 460
Total originally approved	5, 000

Exhibit No. 5

QUARTERLY DISBURSEMENT AND ESTIMATED REQUIREMENT OF FEDERAL FUNDS

Elementary and Secondary Education Act of 1965—Title I

INSTRUCTIONS

Please complete this report for *each project*.
Submit original and two copies no later than *10* days after the close of each quarter to the State educational agency.

Project No.	State serial Nos.	Fiscal year project approved

Part I—Disbursements for past quarter ending: _____

Items	Amount of disbursements
1. Disbursements of Federal cash previously reported	$
2. Disbursements of Federal cash for reporting quarter	
3. Federal cash on hand at end of quarter	
4. (Federal cash accounted for) Total—	$

Part II—Estimated requirements for next quarter ending: _____

Month Federal cash is needed	Estimated amount needed
1. Enter month	$
2. Enter month	
3. Enter month	
4. (Add 1, 2, and 3) Total—	
5. Less: Federal cash on hand at end of quarter (same as pt. I, item 3)	
6. Net amount of Federal cash required (item 4 minus 5)	$

Remarks:

Name of local educational agency	Mailing address
Submitted by (type name and title)	
Signature of Chief Local School Officer	Date

U.S. GOVERNMENT PRINTING OFFICE : 1966 O—797-086

SECTION II

PROJECT DESIGN AND EVALUATION

PART A. PROJECT DESIGN

Title I relies on local initiative for its operation. It is the responsibility of local educational agencies to design, develop, and prepare projects that will fulfill the legislative intent of this title. It is the responsibility of State educational agencies to assure that all proposals meet certain statutory requirements set forth in section 205(a) of the title and are in other respects correct according to the law and the regulations. If the State educational agency cannot assure that a project meets these requirements, the proposal must be revised or disapproved. The State agency may return a project with specific recommendations for its revision or modification. The State agency shall not finally disapprove an application in whole or in part without providing the local agency reasonable opportunity for a hearing.

The first part of this section is devoted to the statutory requirements that all proposals must meet, if they are to be eligible for approval by the State educational agency. The second part deals with other factors to be considered in the design and development of proposals.

In general, the term "program" is used in this section to denote the sum of the projects proposed by a local educational agency for support under Title I in a given year. The specific projects that the agency may propose in order to implement its total program of operations under the title may be one or more than one, depending upon its overall plan for meeting the special educational needs of the educationally deprived children in its district. But the total funds that it may receive during any fiscal year cannot exceed the total of the maximum basic grant for which it is eligible.

STATUTORY REQUIREMENTS UNDER SECTION 205(a) OF TITLE I

Overall Design

Under section 205(a)(1), the State educational agency must determine—

> that payments under this title will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) (A) which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families . . .

Educationally Deprived Children

For the purpose of this program, the term "educationally deprived children" means those children in a particular school district who have the greatest need for special educational assistance in order that their level of educational attainment may be raised to that appropriate for children of their age. The term includes children who are handicapped and children whose need for such special educational assistance is the result of poverty or cultural or linguistic isolation from the community at large.

Benefits under the title are not limited to educationally deprived children presently enrolled in school. They extend also to children of preschool age; to those who have dropped out of school; and to children of migrant farmworkers who, at certain times during the school year, may pass through some school districts in substantial numbers.

Clearly, not every child who fits into this classification is educationally deprived to the same degree or in the same way. Some of these children will be severely deprived in many ways; it is upon them that Title I projects should be focused.

As with any other group of young people, educationally deprived children differ from one another. Each child is an individual, with individual characteristics. But when these children are considered as a group, certain characteristics are discernible. Testimony printed in the Senate hearings indicates what the characteristics and needs of educationally deprived children are likely to be.

From the point of view of the teacher, the characteristics of educationally deprived children are:

- Lack of response to conventional classroom approaches.
- Inadequate performance in communication skills.
- Socially unacceptable behavior.
- Indifference to responsibility.
- Nonpurposeful activity.
- Physical defects and poor health habits.
- Exaggerated importance of status symbols.

Further study of the child reveals that:

- He is overage for his grade.
- His school attendance is poor.
- He has a high rate of failure.
- He has a high dropout rate.
- His aspiration level is low.
- He is without kindergarten experience.
- He has low achievement in reading and in arithmetic.
- His participation in cultural activities is negligible.
- His potential appears to exceed what test data show.[1]

Special Educational Needs

In designing its program for educationally deprived children in its district, the local educational agency must identify the special educational needs of these children and provide projects to meet these needs. The identification and understanding of these special needs requires a knowledge of the children and their backgrounds, much as the diagnosis of physical condition precedes treatment to improve that condition.

The special educational needs of educationally deprived children vary, since children in this group vary as much as children in most large groups. But there are special educational needs which are common to these children as a group but are not common to other children. To meet these needs is the responsibility that schools are asked to assume with the extra help offered under Title I.

Specifically, these special educational needs include:

- Improved skills in reading, arithmetic, and in other academic areas.
- Knowledge concerning living in modern American society.
- Experimental backgrounds that will motivate learning.
- Speech in conformity with patterns of standard English.
- Heightened aspiration and motivation to realize their potential capacities and a willingness to initiate self-improvement.
- Understanding of the purposes of education.
- Teachers with understanding of the background and problems of these pupils.

[1] Taken from a statement prepared under the direction of the Research Council of the Great Cities Program for School Improvement. See *Elementary and Secondary Education Act of 1965: Hearings Before the Subcommittee on Education of the Committee on Labor and Public Welfare, United States Senate, Eighty-Ninth Congress, First Session, on S. 370* (Washington, 1965), pt. 2, pp. 1194, 1196.

School Attendance Areas Having High Concentrations of Children From Low-Income Families

The applying local educational agency will, unless otherwise instructed by the State educational agency, attach to its part I application a list of all school attendance areas with high concentrations (at least as high as for the district as a whole) of children from low-income families, ranked in order of concentration. The ranking should be based on family income data or data indicative of low income, such as payments of aid to families with dependent children (AFDC) under title IV of the Social Security Act, and other welfare data; health statistics; housing statistics; and data from school surveys that contain information on or related to family income. In all cases, the listing should show how and on what basis areas of high concentration of low-income families were selected and ranked.

Usually an individual school attendance area is a fairly well-defined part of the school district and has fixed boundaries. Some schools, however, have no fixed boundaries; they draw generally from the children who live around them but are also open, on a space available basis, to any child from any part of the school district. But regardless of whether school attendance area boundaries are fixed or not, the local educational agency can still rank its schools in order on the basis of the concentration of children from low-income families that each school serves.

The school attendance areas with concentrations of children from low-income families at least as high as for the district as a whole may be selected and ranked on a percentage basis or, in the event that there are wide variances in the sizes of the schools, on a numerical basis. A combination of these two methods may be used, if necessary, to avoid inequities in the administration of programs. The objective is to reach the children in areas with high concentrations of low-income families. The local educational agency should use the ranking in such a way that this objective can be reached most effectively.

Secondary school attendance areas may be ranked separately from elementary school attendance areas on the basis of numbers of secondary school-age children from low-income families; or they may be ranked on the basis of the number or percentage of such children aged 5 through 17 residing in the elementary attendance areas served by the secondary school or schools. In general, a secondary school whose attendance area comprises several elementary areas with high concentrations of children from low-income families should also be considered an eligible area for a project.

If projects are approved for each of the attendance areas having as high a concentration of children from low-income families as the district as a whole, additional attendance areas in descending order of concentration may be designated as project areas, but only if the State agency determines that projects to meet the most pressing needs of educationally deprived children in areas of higher than average concentrations have been approved and adequately funded.

In certain cases, a whole school district or a combination of contiguous school attendance areas may be regarded as a single area of high concentration of children from low-income families. This may be done, however, only if there are no wide variances in the concentrations of such children among the several school attendance areas.

Size, Scope, and Quality

Under section 205(a)(1), the State education agency must also determine—

> that payments under this title will be used for programs and projects . . . (B) which are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting those needs, and nothing herein shall be deemed to preclude two or more local educational agencies from entering into agreements, at their option, for carrying out jointly operated programs and projects under this title.

Proposals should be approved on the basis of their applicability to the education of the disadvantaged and handicapped pupils in a

given school district *at this time*, without regard to how many disadvantaged and handicapped children might have existed in a school district on the basis of the 1960 census supplemented by AFDC figures for 1962, as long as programs proposed are of sufficient size and scope in relation to the number of pupils served as to have a significant impact on meeting the special educational needs of the pupils to be served. Projects in the first year of the title's operation should be designed to meet the needs of the most severely deprived children. Real progress with these children will entail a substantial expenditure per child, a concentrated program, and, perhaps, a saturation of different types of educational services and activities.

An applicant's total program should concentrate sufficient resources, in relation to the number of educationally deprived children in its district, to insure that the special educational needs of these children will be significantly reduced, and that the help provided will not be fragmentary. For example, a remedial reading project might be so widespread that it covered much of the school district and expended much of the allocation, and in so doing starved other elements needed in the total program. Children without needed eyeglasses, without enough food, without enough books, and without proper motivation would be unlikely to benefit from remedial reading instruction alone; in that case the remedial project would itself become ineffective because the total program would have ignored the other special educational needs of the children it was designed to serve.

The total program should therefore include a variety of coordinated approaches toward meeting the needs of the educationally deprived children in a school district, if this is possible within the amount of the applicant's maximum basic grant. And it should be designed to meet the needs of these chlidren, whether they are in or out of school. Unless there are special reasons for concentration on certain grade levels, the program should also be available to children at various grade levels.

A program or project would be of sufficient quality if it included the use of resources and methods that had been carefully selected to meet the special needs of educationally deprived children and if it gave grounds for reasonable expectation that it would be successful in meeting these needs.

Size should be considered in terms of the breadth and intensity of the impact on each child involved. A project might appear to be of considerable size in terms of cost, staffing, and so forth, but might in fact be too small for the number and needs of the children it would serve. On the other hand, a far less costly project might be considered to be of sufficient size if it provided intensive services and extra educational opportunities in considerable depth for the needs of a limited number of children.

Provision for Participation by Educationally Deprived Children Enrolled in Private Schools

Under section 205(a)(2), the State educational agency must determine—

> that, to the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency has made provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate.

This title does not authorize direct grants or benefits to private schools. The services and arrangements provided for educationally deprived children enrolled in private schools should be designed to benefit the children rather than the school they attend.

The responsibility for identifying areas of concentration and designing projects rests wholly with the public educational agency. It would be advisable, however, for the applicant to consult with private school officials so as to better determine the special educational needs of educationally deprived children enrolled in private schools.

Before a State educational agency may approve a grant, it must determine that the applicant has provided sufficient opportunities for

the participation of educationally deprived children enrolled in private schools who reside in project areas. Opportunities for these children to participate on the basis of geographical area must be substantially comparable to those provided to children enrolled in public schools.

To the maximum extent possible the children enrolled in private schools who will participate in a project should be children who reside in the project area. In any event, the needs of educationally deprived children residing in the project area should determine the nature of the project or projects. Children who attend private schools in the project area but do not reside there may participate in the project if they have the same needs and if it would defeat the purpose of the project to segregate them from those who also attend such private schools but reside in the project area.

The requirement under section 205(a)(2) is interpreted as applying to the total program of the local educational agency, not necessarily to each project. But each project application must show the degree or manner of the expected participation by educationally deprived children enrolled in private schools, so that the State may judge the total program in this respect.

Title I provides for the participation of private school pupils in special educational services and arrangements. Where special educational arrangements, such as dual enrollment, are provided in public schools for private school children, classes should, if administratively feasible, not be separated on the basis of the school in which the children are enrolled. Only special services and arrangements of a therapeutic, health, remedial, welfare, guidance, counseling or a similar nature may be provided on private school premises and then only when such services or arrangements are not normally provided by the private school. All special services or arrangements provided under Title I must, however, be specifically designed to meet the special educational needs of educationally deprived children. The extent of the opportunity for participation by private school children in Title I programs should be based on the numbers of educationally deprived children enrolled in such schools who are in need of the services so provided.

The law prohibits the paying of salaries of teachers or other employees of private schools or the construction of private school facilities. Mobile educational equipment, if necessary for the successful operation of project activities, may be temporarily placed in private schools but title to equipment must be in a public agency. Such equipment must not be allowed to remain on private school premises any longer than necessary, and in no event after the end of the period for which the project was approved.

If there are educationally deprived children who reside in the applicant's district but attend a private school located in the district of another local educational agency and if there is no practicable way for the applicant to provide opportunities for their participation in the project, the applicant may wish to consider entering into a cooperative agreement with the other local educational agency. Under such a cooperative agreement, the local educational agencies could jointly provide educational opportunities geared to the needs of the educationally deprived children in both districts who are enrolled in that private school.

Public Control of Funds and Property

Under section 205(a)(3), the State educational agency must determine—

> that the local educational agency has provided satisfactory assurance that the control of funds provided under this title, and title to property derived therefrom, shall be in a public agency for the uses and purposes provided in this title, and that a public agency will administer such funds and property.

The statutory expectation here is that the local educational agency will take reasonable steps to assure that funds provided and title to property acquired with such funds shall be used for the purposes of carrying out approved Title I projects, and shall remain under the control and administration of the public agency. Project funds or property cannot be used for the benefit of any private agency or school. Equip-

ment acquired with project funds may in certain cases be temporarily placed on private premises, but in any event title to and administrative control over all such equipment must remain in a public agency.

The project application must assure that project funds will at all times be under the control of, and be administered by, a public agency and used only for the purposes for which they have been granted.

Construction of Facilities

Under section 205(a)(4), the State educational agency must determine—

> in the case of any project for construction of school facilities, that the project is not inconsistent with overall State plans for the construction of school facilities and that the requirements of section 209 will be complied with on all such construction projects.

Section 209 of this title and section 116.21 of the regulations relate to requirements concerning working conditions, wages, responsibilities of contractors, nondiscrimination, and so forth.

The local educational agency must demonstrate to the satisfaction of the State educational agency that the implementation of the approved project would require the construction proposed in the application and that the construction would be consistent with overall State plans. If such construction is approved, the State educational agency will send the applicant the necessary information concerning labor standards and nondiscrimination in employment.

Procedures for Evaluation

Under section 205(a)(5), the State educational agency must determine—

> that effective procedures, including provision for appropriate objective measurements of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs in meeting the special educational needs of educationally deprived children.

The National Advisory Council on the Education of Disadvantaged Children established under Title I must report to the President each year on the effectiveness of the programs supported under Title I and make recommendations for improvement. The Council will make use of the evaluative data developed by the local and State agencies and reported to the Office of Education.

Every Title I project must include a plan for evaluation. Projects which benefit children who do not attend public schools should be evaluated to the same extent as any other projects. Every project application should set forth the procedures and techniques to be utilized in determining the extent to which the project meets the special educational needs of educationally deprived children. The procedures should be based upon criteria which are consistent with the objectives set forth in the application and should provide for reporting to the State agency at least annually, on a before-the-fact and after-the-fact basis, (1) the educational achievement of children served by the program; (2) the educational deficiencies of such children; and (3) the educational opportunities available, in the school and elsewhere, to alleviate identified educational deficiencies. The success of the evaluation process will be highly dependent upon an early establishment of baseline data, since the necessary information may not be available later.

Evaluative criteria for the total program should be related to changes in the educational status and opportunities of the children in the projects. Indices of such change may include, but are not limited to, objective measurements of—

- Educational achievement in the basic educational skills.
- Levels of educational attainment, as evidenced, for example, by dropout rates.
- Educational motivation, as evidenced by attention, performance, and attendance.
- Behavioral deviations and other special handicaps to educational progress.
- Cultural and social conditions related to educational opportunity and progress.
- Educational opportunities provided in the school setting, including curriculums, special programs and services, staffing facilities, and community support.

Part B of this section deals more fully with the subject of evaluation.

Reports and Records

Under section 205(a)(6), the State educational agency must determine—

> that the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information, as may be reasonably necessary to enable the State educational agency to perform its duties under this title, including information relating to the educational achievement of students participating in programs carried out under this title, and will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such reports.

The reporting function is a three-tiered operation. Every participating local educational agency must make an annual report to the State educational agency on the effectiveness of its Title I program in meeting the special educational needs of its educationally deprived children. The State in turn must make annual and periodic reports on Title I programs to the U.S. Commissioner of Education on the basis of the evaluative data it receives from its participating local educational agencies. The annual report and recommendations of the National Advisory Council on the Education of Disadvantaged Children will be based in part on the reports submitted to the Commissioner. It is therefore highly important that, insofar as possible, the kinds of data gathered and the survey and reporting forms used by all local educational agencies within a State be identical or comparable. Comparability can be achieved only by thorough planning and establishment of guidelines at the State level at the very start of Title I operations.

The applying agency should also maintain records that will show with maximum clarity the use of Title I funds. These records should indicate (1) the receipt and disbursement of project funds, (2) the amount of time spent on project activities by each child and by each teacher or other individual employed, (3) formal and informal evaluations of individual children, and (4) evaluations of the project and of each of its related activities.

Cooperation With Community Action Agencies

Under section 205(a)(7), the State educational agency must determine—

> that wherever there is, in the area served by the local educational agency, a community action program approved pursuant to title II of the Economic Opportunity Act of 1964 (Public Law 88–452), the programs and projects have been developed in cooperation with the public or private nonprofit agency responsible for the community action program.

Cooperation here means continuous and genuine working relationships during the period when programs are being planned and developed, as well as when they are being carried out. A healthy working arrangement between the local community action agency and the school system, already started in many communities, will help to create a climate in which these two agencies, as well as others, can fashion and shape their respective programs to *complement and supplement one another*, in accordance with the wording and intent of both the Elementary and Secondary Education Act and the Economic Opportunity Act, thereby avoiding competition, waste, and duplication. Cooperation does not permit the commingling of funds, but does permit the simultaneous use of funds under each of these acts to finance identifiable portions of a single project.

Cooperation between the local educational agency and the local community action agency should insure that—

- Programs are tailored to the interest of each act.
- Programs proposed under one act reinforce programs proposed under the other act.
- Comprehensive plans are developed to take advantage of other available legis-

lation, such as the Manpower Development and Training Act, the Vocational Education Act, the Higher Education Act, by working with other agencies of social welfare to attack the problem along conceptual lines rather than institutional lines.

Some evidence to substantiate the cooperation to the State would be—

- A description of the representation of the local community action agency on planning and advisory committees during the planning, development, and operational stages of projects and programs.
- A description of the procedure for continuous review and discussion of plans and operations between the local educational agency and the community action agency with regard to their respective programs.
- A letter from the local community action agency stating that the community action agency has worked cooperatively with the local educational agency to develop the proposed projects and intends to continue its cooperation through the life of the projects or programs.
- A description of the attempts by the local educational agency to enlist the cooperation of the community action agency from the beginning of the planning stage.
- A description of the representation of the local educational agency on the board of the public or private nonprofit agency responsible for the community action program.

In any case, a letter from the local community action agency should be included with the proposed project, stating that the community action agency has seen the project and concurs or does not concur with it. The local educational agency should be willing to include a similar letter in proposals made by local community action agencies to the Office of Economic Opportunity.

Responsibility for carrying out the projects authorized under Title I of Public Law 89–10 is, of course, lodged with local educational agencies, and these guidelines should in no way be interpreted as giving local community action agencies a veto over Title I programs. What is required is that local educational agencies develop their program in cooperation with local community action agencies. Similarly it is expected that when community action programs are planned, cooperation will be sought with the local educational agencies.

At the State level a check system should be developed, if it does not already exist, to assure the coordination of these two programs. Such a system would allow the State technical assistance coordinator of the Office of Economic Opportunity to examine Title I projects to see that community action agencies are working with local educational agencies. Similarly, the State educational agency should be able to examine community action projects in the field of education to insure that local educational agencies are working with community action agencies. Any persistent disagreement between a community action agency and a local educational agency might be made the subject of a joint inquiry by the State educational agency and the State technical assistance agency.

Dissemination of Information

Under section 205(a)(8), the State educational agency must determine—

> that effective procedures will be adopted for acquiring and disseminating to teachers and administrators significant information derived from educational research, demonstration, and similar projects, and for adopting, where appropriate, promising educational practices developed through such projects.

Emphasis should be placed on the dissemination of information that can be related to the assessment of needs and to project design so that teachers and other professional staff may better contribute to the design and implementation of local projects.

Procedures and activities for dissemination of such information include, but are not limited to—

- Inservice education.
- Professional libraries or informational systems.
- Professional workshops, seminars, etc.
- Gathering and making available to teachers information on research and the results of research, demonstrations, and projects which are applicable to and may hold promise for the local school district.

The State educational agency may also want to take leadership in the area of disseminating information on educational research, demonstration, and similar projects. For example, it might wish to establish—

- A State clearinghouse of outstanding ideas for Title I projects.
- A system to disseminate, after a period of time, information on the most promising and innovative Title I projects approved by the State.
- A system to distribute and otherwise make available books, brochures, booklets, reports, documents, films, tapes, and other articles which would help local educational agencies plan and evaluate their projects.
- A system to make use of the Educational Research Information Center at the U.S. Office of Education, and possibly a similar or complementary center at the State capital or State university.
- A roster of State educational agency, university, and other personnel who could serve as consultants to local educational agencies to help them with the design and evaluation of their projects.
- A system for gathering and disseminating the research and demonstration activities of universities and school systems which have had a good deal of experience in meeting the special educational needs of the educationally deprived.

OTHER FACTORS IN PROJECT PLANNING

Program and Project Design

The total program of the local educational agency should be based on evidence describing the special educational needs of the educationally deprived children in the areas of high concentration of children from low-income families and should be designed to make substantial progress toward meeting the special educational needs of such children. Each project should be judged on its ability to make a substantial contribution toward achieving the goals of the total program.

Each project in an applicant's total program should incorporate a set of related services and activities. The main activities or services proposed in any project should be directly related to and designed to help meet the special educationally needs of educationally deprived children. The success of the project might also depend upon supplementary services needed to assist these children to overcome physical, psychological, or emotional conditions that would otherwise prevent them from benefiting to the fullest possible extent from their participation in the project. Examples of such supplementary services might be psychological testing, counseling, parent education, and the provision of food and clothing.

Proposals devoted exclusively to the acquisition of equipment, for instance, or the construction of facilities, or evaluation, or transportation, or administration, or the provision of food, clothing, and materials could not be considered projects, although each of these activities may be desirable as a component of a project.

Some projects will by their very nature tend to benefit all children in a school, whether they are educationally deprived or not. Examples would be projects which devoted substantial resources to reduction in class size; to the addition of guidance counselors, teacher aides, and librarians; to the acquisition of classroom equipment; or to the inservice training of elementary school teachers. Other projects may be more selective and devote substantial re-

sources to services that tend to benefit recipients on the basis of their special educational needs. Examples of these services might be remedial classes; special classes; provision of food or clothing; or afterschool study centers. Projects of the first type would lend themselves particularly to schools that are severely depressed and overwhelmingly impacted by educationally deprived children from low-income families. Projects of the second type would be more suitable to schools which serve areas with high concentrations of children from low-income families but at the same time have substantial numbers of children who are not educationally deprived.

No child in a project area should be denied the benefits of a project because his family does not qualify as "poor" by some definition. But projects should be so limited in size and so focused in the schools that those educationally deprived children who most need the services or opportunities offered will be adequately served.

Number of Projects To Be Planned

Within the limits of its maximum basic grant, a local educational agency may submit as many projects as seems appropriate to its particular circumstances. A project may provide many activities for one school or one activity for many schools. An applicant with a small district and a limited number of children might wish to concentrate its activities by focusing its program on one or two schools and propose a separate project for each school. On the other hand, a local educational agency with a large district may propose a dozen projects, each extending through a number of schools having high concentrations of low-income families.

A local educational agency which intends to submit several projects need not submit them all at the same time. To allow the State to make some judgment about the balance of the overall program, however, the applicant should attach to its first project application a brief description of its proposed total program. Even a listing of contemplated projects would be helpful.

Age and Grade Level of Children To Be Served

The age and grade level of the children to be served will largely depend on the nature of the project and the needs it is designed to meet. Grant funds may be used at any grade level through grade 12 or any age level not beyond age 21; or they may be used for preschool projects; or for projects for out-of-school youth. If an overemphasis on certain grades or certain age levels seems likely to result in an unbalanced program, the State educational agency should not approve such a program unless the local educational agency presented sufficient evidence to show that the imbalance was deliberate and based on good reasons.

Types of Projects, Activities, and Services Which Deserve Special Mention

The approaches which can be used are almost without limit. Programs focused upon the educationally deprived might include the services of counselors, psychologists, psychometrists, doctors, nurses, social workers, and speech and hearing specialists. Specific projects might be Saturday morning special opportunity classes for pupils who need additional help in mastering basic skills; evening school library services to provide a proper place for study; early identification programs both for the gifted and for potential dropouts; preschool programs; combined work-study programs; or special remedial and enrichment classes. The aim should always be to design a project which will give reasonable promise of substantial progress toward meeting the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families.

Preschool Projects

Educational deprivation is usually associated with an inadequate home environment. Preschool programs can provide such children with educational experiences commonly provided by more affluent parents.

Preschool projects designed to prepare 4-year olds or even younger children for kindergarten or Head Start programs are not only permissible but encouraged. Kindergarten, Head

Start, or other programs of this type designed to prepare children for school are especially encouraged in school districts which do not already have such programs. Also specially encouraged are projects which build upon gains already made through Head Start or other preschool programs.

It is recognized that an applicant's justification for preschool programs cannot usually be based on measurements of educational deficiency of the children to be served. Evidence can probably be gathered, however, of educational deficiencies, including lack of readiness for regular school programs present in children already enrolled in the primary grades of schools in the project areas.

Dropout Projects

It is unlikely that a local educational agency with a significant number of dropouts could have a balance program if it did not make provision for them. Specific projects designed to persuade dropouts to return to school might involve changes in the school environment that would lessen the likelihood of their leaving school again before graduation; or curriculum changes might be devised to dissuade children identified as potential dropouts from actually leaving school. Counseling, guidance, on-the-job training, placement, and psychological services might also be proposed.

Projects Involving Children Enrolled in Schools Operated by the Bureau of Indian Affairs

In certain cases children who were counted in the 1960 census as being from low-income families were attending schools operated by the Bureau of Indian Affairs. In developing projects, local educational agencies should therefore consider the needs of children attending schools operated by the Bureau of Indian Affairs as well as the needs of children enrolled in public and private schools. They should especially consider the needs of Indian children not enrolled in any school, and provide opportunities for these children to participate in such projects.

Projects for Handicapped Children

Some school districts may have a number of handicapped children who lack the extensive services offered by wealthy school districts. In fact, some handicapped children may lack any opportunity to be in school or to be helped by a teacher. Although the needs in poorer school districts are massive when compared with resources, handicapped children should not be excluded, and the State might well question the balance of a program that did not provide for them.

Projects for Migrant Children

Some local educational agencies have large numbers of migrant children passing through their school districts at some time during the year. The local educational agency has the responsibility for reaching the educationally deprived, and certainly many children of migrant farmworkers fall into this category. Any local educational agency which has substantial numbers of migrant children passing through its district should make specific provision for these children. It should insure that—

- They are identified.
- Their special educational needs are identified.
- There is a special effort to see that attendance laws are met, and that the children have a way to get to school.
- Projects are designed and established which will meet their special educational needs.
- Special arrangements are made where necessary—including mobile classes, summer schools, and traveling teachers—to increase the educational opportunities of such children.

Projects for the College-Bound

One important way to meet the special educational needs of deprived children is to help them get a college or other postsecondary education. A great number of young people from poor areas never get to college for reasons other than lack of ability. Some lack motivation; others have received little encouragement or counseling; almost all lack money. Many have little knowledge of professional career possibilities and no close relationship with persons in pro-

fessional careers who might serve as models for them. And, of course, a large number are simply underprepared for college entrance.

Under Title I local educational agencies could design and carry out projects to meet these needs. Reaching the goal of equal educational opportunity for all demands that a greater proportion of educationally deprived youngsters in low-income areas not only be given a better chance of getting to college but also be equipped psychologically and educationally for success in college.

Innovative Projects

Innovative projects in the comparatively new field of education of the disadvantaged can be of the greatest value. Projects which constitute extensions of ongoing programs are, of course, the easiest to plan and the safest to execute. Any imaginative and untried approach to reaching the educationally deprived is bound to carry with it a certain risk of failure; but projects which succeed may make up many times over for those which fail. Moreover, although projects of this kind must be designed for the benefit of the educationally deprived, it is difficult to conceive of a truly innovative project which would not have a great deal of spin-off benefit for many other children in the district and thus strengthen the district's whole educational effort.

Detailed local and State reports on innovative programs, whether successful or not, should be distributed by State educational agencies in order that other educational agencies may benefit from the experience acquired.

Pilot Projects

Pilot projects, limited in size and scope to children in one or two schools in a district but involving relatively high administrative expenditures for planning and evaluation, fall within the province of Title I. A small-scale project of this type might involve activities to identify the needs, and possible ways of meeting the needs, of deprived children in the district; the inservice training of teachers; the use of new personnel with special skills; and the testing of new methods and techniques. Such pilot projects should not be so expensive that they could not be generally replicated.

Cooperative Projects

Two or more local educational agencies, particularly those with small maximum basic grants, may decide to submit a proposal for a project under cooperative auspices. Such a project should be cooperatively planned by appropriate representatives of each of the agencies concerned. The actual administration of the project might be delegated to one of the local educational agencies and its authorized representative, or to an intermediate educational agency.

The amount of funds contributed by each of the educational agencies to the project should be determined by the number of children from each to be involved in the project. The State educational agency may pay to the agency designated to administer a cooperative project those portions of the allocations of the participating agencies approved for that specific project. In that event, the administering agency would become custodian of all project funds and would assume all responsibilities for the proper accounting of such funds and for the maintenance of fiscal records.

Extension of Ongoing Projects

If a local educational agency is already operating a special project whose aim falls within the purposes of Title I, it may apply for a grant to expand and improve the project if the project falls within the total program designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families. The local agency, however, must maintain the fiscal effort it was putting into the project before the passage of this legislation.

Projects Combining the Resources of Title I With Those of Other Titles of the Elementary and Secondary Education Act

Local educational agencies may legitimately propose Title I projects which would make imaginative and effective use of the resources available under other titles of the act. Certain

Title I projects might incorporate research and demonstration results from title IV regional educational laboratories or from title III supplementary centers and services; or Title I funds might provide for an elementary school librarian while title II funds provide new library resources.

Similarly local educational agencies may seek to reinforce the gains possible under the act by making available Title I resources to reinforce activities under other titles, as long as the purposes of each title are met.

Projects Using Parents, Volunteers, and Subprofessional Aides

Where appropriate, projects should use the services of voluntary and paid workers, including parents. Such persons can help to bridge the gap in communication that frequently exists between the home and school. At the same time they may often, as a result of their service in the school, modify their own attitudes and behavior.

These persons will usually not be certified; but all school assignments do not depend on certification. Adequate use of subprofessional personnel would free teachers, coaches, school social workers, guidance counselors, recreation directors, and home-school visitors to concentrate on what only they can do. In many cases, the aide's background may well provide a valuable adjunct to the work of the professional. Furthermore, the employment of aides who need to supplement their family income would contribute to overcoming deprivation in the project area, especially if the emphasis in such employment were on creating career opportunities.

Projects for educationally deprived children will have a greater chance of success if parents are involved to a far greater extent than they have been in the past. Education does not start when the child arrives at school or stop when he returns home. Parents are an essential part of the educational process. If they do not realize or do not know how to fulfill their responsibilities, the child suffers. Difficult though it may sometimes be, the local educational agency should find a way to interest parents in their children's education and to help them to make a greater contribution to it.

Projects Involving an Increase in Teacher Pay

Title I is not intended to finance an across-the-board increase in teacher salaries. But Title I funds may be used to pay teachers for work performed beyond the normal school day.

Projects Involving the Construction of Facilities

The construction of school facilities for the regular school program is not the purpose of Title I. Applicants should therefore make every effort to lease facilities or to adapt existing facilities to the requirements of the activities and services proposed under their projects.

If existing facilities cannot be leased or adapted, the applicant should consider alternative project activities and services that are equally promising and for which facilities are already available.

In addition to the restraining language in the act and the regulations, construction should be undertaken only in extraordinary cases because—

- Is a capital investment of long duration. A new building contributes to the educational achievement of children over a long period of time and, in the meantime, many children will not receive services which could have been bought with the money used for construction.
- Reduction of the number of pupils per teacher or per adult can be accomplished immediately, without construction, by using a teacher aide or assigning more than one teacher to a class.
- The number of children who could be accommodated in any one year in regular school facilities constructed with the amounts available under Title I would be extremely small in proportion to the total number of educationally deprived children who have special educational needs.
- Present facilities can often be better utilized by initiating projects after school, on Saturdays, and during the

summer. Many buildings remain open only 180 7-hour school days—a fraction of their potential.

- Most important, a local educational agency must weigh the merit of sacrificing a remedial and enrichment program to one that would erect a facility. A million dollars spent on construction is a million dollars not spent on various action programs that would directly affect the lives of educationally deprived children this year.

A portion of an applicant's Title I funds may be used for the construction of school facilities but only if such facilities are necessary to enable the applicant to carry out a specific project as approved by the State educational agency. This means that the applicant local educational agency must describe the nature and scope of a project that will meet the special educational needs of educationally deprived children. If the State educational agency concurs with the applicant that no facilities are available for the proposed project, then it may approve funds for construction under Title I.

A Title I project in any fiscal year should not be solely a construction project. The greater portion of the funds allocated to a school district in a fiscal year should be used for operational purposes.

The scope of construction should be limited to those facilities which are required for a specific project.

In requesting funds for construction, the applicant is expected to submit evidence to the State that (1) existing facilities cannot be adapted to the project by remodeling or by rental, and (2) the facilities proposed for construction are the minimum school facilities required for the operation of a project under which certain specific services will be provided.

Even where facilities are needed before school instruction can take place, there are services and activities for children and their parents which could be carried on while waiting for a building to be built.

PART B. EVALUATION

INTRODUCTION

Why Evaluate?

Evaluation is an important part of the process of education. Evaluation helps us in diagnosing pupils' strengths and weaknesses, in prescribing plans of action based on the diagnoses, in seeing whether our educational practices are succeeding, and in setting up revised plans to meet our objectives. The effectiveness of Title I projects depends to a considerable extent on the feedback that comes from good evaluation.

The measurements of pupil changes and attainments in Title I projects must be more carefully assessed and controlled than casual teacher judgment. On the other hand, an elaborate research study is not required.

The crucial importance of evaluation is underscored by its inclusion in four different sections of Title I: 205(a)(5), 206(a)(3), 207(b), and 212(a). Note that the law, in effect, requires evaluation at four different governmental levels—local, State, U.S. Office of Education, and a National Advisory Council appointed by the President. The results of evaluation at all these levels, of course, will be of crucial importance in any congressional review of activities under Title I.

Any review of Title I at the national level cannot be effective unless the State and local educational agencies supply the necessary evaluative data. Consequently, it is essential that adequate data be gathered by each local educational agency and that such data be analyzed and synthesized by the State educational agency. Evaluation must be carried out by the local educational agency at two levels—for each discrete project *and* for a total program comprising all of the agency's projects.

The central question is: Have the educational attainments of children participating in Title I programs been raised? The only way this question can be answered is for State and local educational agencies to define what they mean

by attainment (by stating specific objectives) in such a way that it can be measured.

Although these guidelines are designed for use by local educational agency personnel, many of the concepts will be applicable at the State level as well. Since each State educational agency has the responsibility of synthesizing the results of the evaluation reports for all projects and programs under its jurisdiction, the early grouping of approved projects and programs according to objectives, designs, and measuring instruments utilized will greatly facilitate the assessment of the overall impact of Title I in the State.

Funding and Annual Reporting

Since evaluation is required by Public Law 89–10 "at least annually," it is essential that baseline or reference data be secured very early in the project period. In some projects the attainment of specified objectives will not occur in a year or even in several years. Nevertheless, the evaluation of progress toward all objectives should be attempted and reported every year. Descriptions of the increases in educational opportunity provided by Title I (new programs, teachers, etc.) should also be included in annual reports from local and State educational agencies.

The costs of evaluation, including consultant fees, can be charged to the Title I project budget. A small investment in evaluation that leads to more effective practices can pay rich dividends.

THE EVALUATION PROCESS

Prior to considering the evaluation of Title I projects and programs in detail, it is important to recognize the universality of evaluation as a process independent of the content of any particular project or program being evaluated. As used here, evaluation is the process of determining the extent to which specified objectives have been reached. Stated in another way, evaluation is the process of assessing the extent and direction of change resulting from an educational experience.

Steps in the Process

The steps in evaluating educational outcomes can be enumerated as follows:

Step 1. Definition of educational objectives (preferably in terms of specific units of output) to be achieved through the experience being evaluated. These objectives should reflect the most pressing needs of the educationally deprived residing in the project area.

Step 2. Translation of the educational objectives into descriptions of behavior which will be displayed if the objectives are achieved.

Step 3. Identification of situations in which the presence or absence of the designated behavior can be observed and recorded.

Step 4. Establishment of some type of interpretive device (standard or norm) which can be used in measuring desired growth.

Step 5. Application of the evaluation methods derived from steps 3 and 4 above to all those participating in the program.

Step 6. Analysis of evidence obtained by the evaluation devices in terms of progress toward the defined objectives.

Step 7. Statement of conclusions regarding effectiveness in terms of the extent to which objectives were achieved.

An Example

To illustrate, let it be assumed that one of the objectives of a swimming class is to be evaluated. Let it be assumed also that all pupils are unable to swim at the start of the class.

Objective: To teach pupils enrolled in the class to swim at least 25 yards. (Note: objective is expressed in output terms of 25 yards.)

Translation to behavior: Students who have reached this objective will be able to swim under indoor pool conditions.

Situation: After an instructional period, each pupil will be given a chance to swim in an enclosed and uncrowded pool. No diving will be involved.

Standard: Each pupil must swim 25 yards using any stroke he chooses without touching the bottom of the pool.
Application: Each pupil attempts to swim 25 yards.
Analysis: The number of pupils meeting the standard is recorded.
Conclusion: Based on the results of the analysis, a generalization regarding the effectiveness of the instruction is made. If 80 percent of the pupils swim 25 yards, we can conclude that the instruction technique was effective.

IMPORTANCE OF MEASUREMENT OF CHANGE

The objectives of proposed projects should be related to specific characteristics possessed by pupils prior to the initiation of a Title I project. The evaluation procedures and designs appropriate for Title I, therefore, will involve measuring changes in pupil behavior over a period of time. This means, in most instances, that evaluation procedures will involve obtaining appropriate measurements at the start of a Title I project, during the project period, and at the conclusion of the project. The difference between these successive measurements, if properly selected, will be an indication of change and of the effectiveness of the use of Title I funds. Consequently, it is imperative that local educational agencies gather baseline data on students when Title I projects are initiated.

The difference between only two successive measurements of the same characteristics indicates the general direction of change but usually does not indicate whether the improvement in educational attainment is significant. Interpretation of change or progress is achieved whenever the amount (and direction) of change can be related to (1) standards, (2) norms, or (3) meaningful units of measurements. Although these interpretive devices may sound complicated, they are used by many educators every day.

Standards

Standards, as used here, refer to points along a continuum or to discrete categories in a classification which permits the assigning of pupils to groups according to accepted definitions implying specified degrees of a characteristic. Examples of standards from the educational realm include: can or cannot tie shoestrings; can or cannot read newspaper articles; can or cannot spell all the words in a given list; and perfect or less than perfect attendance during a particular period. Whenever a standard is employed to interpret student performance, precise definitions must be provided.

Norms

Norms are used here to refer to numerical values that describe performance of specified groups. Educational norms are frequently the mean or median measurements of achievement of a large group on a certain test. Published norms for tests are often assumed to be representative of the Nation as a whole. However, regional, local, or district norms may be more desirable for comparison with specific groups. While norms may be expressed in raw score form, more frequently age scores, grade placement, standard scores, stanines, or percentile ranks are used. When national norms do not provide adequate differentiation at the lower end of the aptitude or ability scale, special norms, established locally, are often useful.

Units

Units are generally defined as increments of change expressed in meaningful quantities. Units may be expressed with respect to other norm data or simply as progress toward a standard. A few examples follow: number of times chosen as a leader of the class, parental attendance at workshops, number of students seeking service of counselors, voluntary registrations for a second (advanced or continuing) course in study skills, and ratio of library cards issued to cards used.

EVALUATION DESIGNS

There are two basic considerations in selecting procedures (designs) for evaluating Title I projects. The first of these is the manner in which change will be assessed (tests, observa-

tion, etc.) in the project group and the second is the selection of comparative data which will make the results meaningful. Comparative data in the form of standards, norms, and units have already been mentioned. The appropriate use of such data will be apparent as the designs in the following paragraphs are discussed.

Design A. Change in a Title I Project Group Compared With an Absolute Standard at the Start of the Project and at the End

Example 1. Proportion of eligible 10th, 11th, and 12th grade students enrolled in a work-study program.

Example 2. Proportion of students retained in school between the 11th and 12th grades.

In these examples, it is assumed that the standard is 100 percent and that the closer the results are to 100 percent, the more effective the experience has been.

Design B. Change in a Title I Project Group Compared With a Designated Norm

Example. A norm is obtained by administering an evaluation device such as a test to a National, State, or local group. When a standardized achievement test is administered to a group participating in a Title I project, the change in achievement of students in the project can be compared with expected change based on published norms for the group in the Nation, region, or locality.

Design C. Change in a Title I Project Group Compared With Change in a Control Group

A control group as used here is one similar to the Title I group with respect to variables important to the specific project or program such as ability, socioeconomic level, etc. Ideally, the students would be randomly assigned to the Title I and the control groups, but such assignment is not necessary when it can be assumed that the students in both groups are equally prepared for the project. The control group can be drawn from students outside the Title I project area who have the same type of deprivation.

Example 1. Both groups may be required to take a comprehensive achievement test in October to establish a baseline and be required to repeat the test in May. The baseline test should be administered before or at the time the Title I project is started.

Example 2. Last year's class in the same school setting may be designated as the control group, provided that the children have comparable backgrounds and the same evaluation devices are used to measure change at the appropriate time during the "control" year. The group in the Title I project may then be compared to last year's class.

Design D. Change in a Title I Project Group Compared With Projected or Hypothesized Change Based on Past Progress of the Group

Example. Mean achievement reading test scores of 97, 93, and 89 were recorded in grades one, three, and five respectively for members of a Title I project group at the beginning of the Title I project. In the seventh grade, the projected average for the same group without the benefit of the Title I project would be 85. The actual average in the seventh grade of the project group would then be contrasted with the projected average. (Often these quotients of educationally disadvantaged children tend to decrease as further yearly evaluations are made. In this exam-

ple, it would be encouraging to see that this trend had been arrested.)

This design is relatively easy to implement and will provide a sound measure of educational attainment.

Design E. Change in a Title I Project Group Reported Without Comparative Data

Example 1. To evaluate a first grade reading project, a comparison can be made of scores earned on a standardized reading test administered in the fall as the project gets underway and again at the end of the project year.

Example 2. To evaluate a program in which the pupil-teacher ratio has been reduced at each of the several grade levels and language arts and arithmetic supervisors employed, a comparison can be made of scores for each subtest in a comprehensive achievement test administered at the beginning and end of the project period.

Since the procedures cited in the above two examples merely report results and do not afford a meaningful comparison, they are not as desirable as any of the preceding four designs.

Design F. Design Involving One Measurement Only

When one measurement only is made of some characteristic of a Title I project group, assumptions must be made about the degree of acquisition of educational achievement up to the time of the measurement. It is, therefore, not possible to assign an amount of growth to a particular period. However, some indication of growth can be obtained by comparing standing at the time of measurement with standing recorded by previous classes and/or with norms. Since it is not possible to determine growth during the period of the Title I project, designs involving only one measurement of the project groups are not as satisfactory as those which measure change directly.

Example. In Eastern Park School an enriched and individualized reading project was inaugurated in the first grade. In May, this group of children earned a sight vocabulary test average score of 200. Comparison was made with the average of 180 posted last year by Eastern Park School first-graders, and average scores of 208 last year and 214 this year earned by first-graders in the Western Park School.

Supplementary Evaluative Techniques

Some local educational agencies might have difficulty reporting significant changes in educational attainment for a project group, because the nature of the project is such that conclusive results will not be available for 2 or 3 years. In the interim, however, individual cases may serve to demonstrate meaningful increases in educational attainment.

Case Studies

Appraisals by teachers or Title I project directors of changes in attitudes and behavior must be well documented to be reliable. Each teacher in the course of observing and testing his students, as well as in numerous other ways, acquires many important facts about them. For reporting purposes under Title I, it would be helpful if the accumulated facts were presented in terms of some specific aspect of the participant's development.

Such appraisals should be based on more than mere "feeling," for a "feeling" cannot be replicated or checked. This is not to say that a "feeling" is not useful, but it must be supported by a carefully marshalled, detailed description of cases and observations to be of convincing value. Observations are a more reliable evaluative device if made by skilled "outside" observers not connected with the project or program.

Anecdotal Records

Anecdotal records may be employed by teachers and counselors to evaluate Title I projects. An anecdotal record consists of an accumulation of a series of observations of a significant aspect of a student—his leadership qualities, reading achievement, socialization. The individual report of each incident should consist of a brief, clear, objective statement of what took place. Interpretation or recommendations may be included, but should be written on a separate section on the anecdotal card. The observations must be objectively recorded and taken at periodic intervals in order to show individual development. Teachers and other project personnel may need to train themselves to observe incidents and to record them at a later time.

Related Devices

Attitudinal scales, personal evaluations, teacher rating forms, pupil self-rating inventories, audiological surveys, physical examinations, participation in recreation program surveys, and many other instruments and devices may be used with professional staff observations to collect evidence about the total impact of Title I project.

Comprehensive Evaluation

A comprehensive evaluation program will go well beyond testing for the mere acquisition of specific skills, facts, and knowledge in the cognitive domain. Comprehensive evaluation will extend into the measurement of the students' ability to interpret, to evaluate, and/or to extrapolate information to solve real problems. In fact, the purpose of American education goes far beyond student achievement in the cognitive domain to include concern for areas such as:

- The affective domain: attitudes, motivations, interests, adjustments, anxieties;
- Social development: acceptance, recognition, belonging, leadership, interaction;
- Physical development: general health and ability, speech, motor skills, dexterity;
- Academically related problems: reaction of employers, continuing professional development of teachers.

PLANNING FOR EVALUATION

Preparation of the Proposal

Steps in preparing for evaluation should be described in each project proposal submitted under Title I. Preparation for the evaluation of each project should begin by listing each objective in specific and behaviorial terms and making a parallel listing of instruments (tests, observations, etc.) to be used in evaluating progress toward that objective.

Use of Standardized Tests

Public Law 89–10 states that whenever possible, "objective measures of educational achievement" will be used for the evaluation. In many instances this will mean nationally standardized tests. Extreme care must be taken, however, to assure that the standarized tests are valid measures of the types of behavioral change indicated by the objectives.

Two of the more important aspects of reliability of measurement involve test length and difficulty of the items. Generally, the more reliable evaluations result from conditions in which a number of items measure each concept and the items are neither so easy that most are answered correctly nor so difficult that most are failed. In selecting tests, evaluators must assure themselves that the tests contain enough items which deal with concepts that were taught and that these items are comprehended by the students. When standarized tests contain too few items for a particular concept involved in a Title I project and/or the problems are too difficult, locally constructed tests should be used to supplement the evaluation.

The importance of early planning of evaluation procedures cannot be overemphasized. Consultants located in other school systems, institutions of higher education, State departments of public instruction or elsewhere will be effective at this stage. In most school systems funds will need to be designated for personnel training and employment of consultants. The State department of education can furnish in-

formation about reliable consultants. School guidance personnel are another possible source of assistance in evaluation design.

Nontest Sources of Evaluative Data

Information will sometimes be sought from parents, school personnel, and others in the community as objectives dictate. Opinions and attitudes of parents will be particularly important. While questionnaires and other survey instruments may be used, their effectiveness is limited because action that will take place when a person is faced with a choice is described rather than observed. Attendance at school activities, participation in conferences, and other examples of adult behavior such as watching certain television programs, providing a quiet place for homework, and using library facilities will provide indices of opinion through choices of behavior. Professional judgments of teachers, specialists, and supervisors can be obtained about children in a project with specially constructed rating scales.

While the emphasis of the evaluation plan must be on discovering what happens to pupils, it would be interesting also to observe effects on teacher attitudes, behavior, and method with disadvantaged children. Such "intermediate" results may appear before significant changes have taken place in the pupils' educational attainment and should be included in the annual project report. Other examples of "intermediate" effects that should be noted in reports are changed pupil attitudes and improved health.

Division of Groups Possible

When objectives in the cognitive domain are being evaluated, it may be desirable to consider subclassifying pupils according to sex, ability level, and/or achievement level. Such a practice is suggested by several previous research studies in which it has been found that certain educational practices result in substantial gains for some groups but not for others. Such subclassification of Title I program pupils often provides insights into educational practices which might otherwise be "masked" through pooling divergent groups together in an analysis of evaluative data.

Use of Sampling

Achievement testing is often criticized because of its influence on pupils and teachers who wish to show up well on the tests. In assessing the progress of Title I, no individual pupil or classroom need show up at all. Samples of children carefully chosen to be representative would provide data without anyone or any classroom taking a full assessment battery or getting a score or report from it. Instead, a report would indicate, for example, that 90 percent of the children in a Title I project can comprehend certain reading or arithmetic problems.

Because sample assessment exercises can be given individually and by interview, it is possible to sample more than achievement as shown on traditional paper and pencil tests. Performance, interests, skills, habits and the like can be included. Hence assessment should be indicative of the range of educational objectives being sought in modern schools rather than limited to a small part of the educational program. Reports made every few years would provide information about educational progress.

FINAL CONSIDERATIONS

Evaluation is part of the teaching process and should contribute information *during* the project period as well as at the end. Evaluative information may lead to changed methods, or changed objectives, or both. For instance, data on pupil attainment gathered around the midpoint of the project may show that the original objectives were unrealistic and should be scaled down. Case studies may indicate that educational methods are succeeding for some types of pupils but not others. Since applicants will not have had experience with Title I projects, continuous or interim evaluation is especially important this first year.

Although well-conceived evaluation methods must be an integral part of a Title I project, they should not eclipse the project itself. Title I programs must meet the needs of children, not the needs of research specialists. In short, an able Title I project director will find ways to collect and analyze evaluation data without distortion of the program.

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